



# *at a glance*

## QUALIFIED CHARITABLE DISTRIBUTION (QCD)



### WHAT IS A QUALIFIED CHARITABLE DISTRIBUTION?

A **Qualified Charitable Distribution (QCD)** is a wonderful way to support the life-giving ministries of the ELCA, meet your required minimum distribution and reduce taxable income.

#### Here's how it works:

If you are 70½ and have an Individual Retirement Account (IRA), you are required by law to withdraw a certain amount of money from the account each year – this is known as your required minimum distribution (RMD). Many people find that they don't need the extra income, but they're required by law to take it. With the recent tax code changes, not everyone can itemize deductions, which means the RMD is taxed as income. Making a gift to charities directly from your retirement account in the form of a QCD may allow you to meet your RMD requirement without increasing your taxable income.

If you're unsure how to use your QCD, your regional gift planner can help you create a plan for it to support your favorite ELCA program or begin your own endowment fund with the ELCA Foundation.

### A QCD MIGHT BE RIGHT FOR YOU IF YOU...

Are at least

**70½**  
YEARS OLD



Want to support your favorite charities while reducing taxable income.



Are required to take a minimum distribution from your IRA.



Are at any income level — QCDs have tax benefits for low-, middle- and high-income taxpayers.

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## WHY SHOULD I USE A QCD?

- Distributions redirected to a charity are not considered income.
- Because these distributions aren't added to your income, you may qualify for lower Medicare premiums and lower Social Security tax rates and avoid higher tax rates and phaseouts.
- They may count toward your RMDs.
- You don't have to change your will or trust.
- It's simple to report on your 1040 form.
- Your gifts immediately support the ELCA programs of your choosing.

## RULES TO KEEP IN MIND:

**MAXIMUM  
GIFT**

**\$100,000**  
**PER PERSON EACH YEAR**

(up to \$200,000 for  
married couples)

**GIFTS  
MUST**

come from an IRA, not a 401(k).

be paid directly to a charity from  
your IRA custodian.

be received by your charity prior to  
Dec. 31 of the calendar year.

## WANT TO LEARN MORE?

Find your regional gift planner at [ELCA.org/foundation](https://www.elca.org/foundation) or call 800-638-3522.

The examples and information provided are for illustrative and educational purposes only and should not be considered tax or legal advice. Please consult with your tax or legal advisor about proceeding with your gift plan.